

Executive Summary – Enforcement Matter – Case No. 49423
Targa Midstream Services LLC
RN100222900
Docket No. 2014-1518-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Mont Belvieu Complex, 10319 Highway 146, Mont Belvieu, Chambers County

Type of Operation:

Natural gas processing facility

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: June 26, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$289,108

Amount Deferred for Expedited Settlement: \$57,821

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$115,644

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("SEP") A Conditional Offset: \$80,000

Name of SEP: Barber's Hill Independent School District (Third-Party Pre-Approved)

SEP B Conditional Offset: \$10,000

Name of SEP: Barber's Hill Independent School District (Third-Party Pre-Approved)

SEP C Conditional Offset: \$25,643

Name of SEP: Houston-Galveston Area Council-AERCO (Third-Party Pre-Approved)

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

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Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: February 3 through August 8, 2014 and July 14, 2014

Date(s) of NOE(s): August 22, 2014 and September 9, 2014

Violation Information

1. Failed to prevent unauthorized emissions. Specifically, the Respondent released 76,228.43 pounds ("lbs") of volatile organic compounds ("VOC"), 381.48 lbs of carbon monoxide ("CO"), and 191.09 lbs of nitrogen oxides ("NOx") from various emission points within the Mont Belvieu Fractionator Unit, during an emissions event (Incident No. 198976) that began on May 29, 2014 and lasted for one hour and five minutes. The event occurred due to pressure build up in the T-7 Depropanizer that caused a pressure relief valve to open and release to the atmosphere. Since the emissions event could have been avoided by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. O612, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 17, New Source Review ("NSR") Permit No. 5452, Special Conditions ("SC") No. 1, and NSR Permit No. 56431, SC No. 1].
2. Failed to comply with maximum allowable hourly emissions rates. Specifically, during the performance stack test conducted on December 3 and 4, 2013, the Respondent exceeded the 0.87 pound per hour ("lb/hr") emissions rate for NOx, the 10.6 lbs/hr emissions rate for CO, and the 0.1 lb/hr emissions rate for sulfur dioxide ("SO2") at the Regenerative Thermal Oxidizer ("RTO"), Emission Point Number ("EPN") RTO-1 (RTO-1A and RTO-1B), by 0.429 lb/hr for NOx, 2.28 lbs/hr for CO, and 12.37 lbs/hr for SO2, resulting in the unauthorized release of 2,913.77 lbs of NOx, 15,485.76 lbs of CO, and 84,017.04 lbs of SO2 [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O612, STC No. 17, and NSR Permit No. 56431, SC No. 1].
3. Failed to meet the minimum required VOC destruction efficiency of 99.5% for EPN RTO-1 and 98% for EPN RTO-2. Specifically, during a reference method stack test conducted on December 3, 2013, it was determined that the EPN RTO-1 achieved a VOC destruction efficiency of 96.6%. Also, during a reference method stack test conducted on December 5, 2013, it was determined that the EPN RTO-2 achieved a VOC destruction efficiency of 77.9% [30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O612, STC No. 17, NSR Permit No. 56431, SC No. 6, and Standard Permit Registration No. 94872].

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4. Failed to comply with the representations with regard to construction plans in a permit application. Specifically, the Respondent represented in the application for NSR Permit No. 56431 that it would construct two RTOs with most emissions from the Mont Belvieu Complex to be routed to EPN RTO-1 and the emissions from the existing amine unit to be routed to EPN RTO-2, but the Respondent routed the emissions from the Mont Belvieu Complex and amine unit to two RTOs (EPNs RTO-1A and RTO-1B) which operated in parallel [30 TEX. ADMIN. CODE § 116.116(a)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

5. Failed to comply with annual emissions rates. Specifically, the Respondent exceeded the VOC emissions rate of 25 tons per year ("tpy"), the VOC Maintenance, Startup, and Shutdown ("MSS") emissions rate of 5 tpy, the CO emissions rate of 20 tpy, the CO MSS emissions rate of 5 tpy, the NOx emissions rate of 6 tpy, and the NOx MSS emissions rate of 1 tpy based on a rolling 12-month period for EPN FLR-1NSCAP for the 12-month periods ending from September 2013 through August 2014, resulting in the unauthorized release of 34.57 tons of VOC, 32.17 tons of CO, and 21.30 tons of NOx [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 0612, STC No. 17, and NSR Permit No. 56431, SC No. 1].

6. Failed to conduct stack testing within 60 days of achieving the maximum operating rate. Specifically, the reference method stack test for EPN RTO-1 was due by September 18, 2013, but was not conducted until December 4, 2013 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 0612, STC No. 17, and NSR Permit No. 56431, SC No. 6].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following measures:

- a. On December 3 and 4, 2013, conducted the initial reference method stack test for the RTO, EPN RTO-1 (RTO-1A and RTO-1B);
- b. On December 5, 2013, conducted the initial reference method stack test for the TRO, EPN RTO-2;
- c. On April 13, 2014, conducted a second reference method stack test for the TRO, EPN RTO-2, which demonstrated that the TRO achieved a VOC destruction efficiency of 98.0%, and demonstrated compliance with the applicable hourly emissions rates in Standard Permit Registration No. 94872;
- d. On December 18, 2014, permanently shut down EPN RTO-1 (RTO-1A and RTO-1B);

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- e. On March 3, 2015, obtained Standard Permit Registration No. 129536 to authorize the construction and operation of the Flare Gas Recovery Unit ("FGRU") in order to comply with the annual MSS emissions rates; and
- f. On February 27, 2015, submitted an alteration request to remove EPNs RTO-1 and RTO-2 from NSR Permit No. 56431.

Technical Requirements:

- 1. The Order will require the Respondent to implement and complete three SEPs (see SEP Attachments A, B, and C).
- 2. The Order will also require the Respondent to:
 - a. Within 30 days, submit a revision request for Standard Permit Registration No. 94872 to remove EPN RTO-1, change the name of EPN RTO-2 to EPN TRO-1, and update representations as appropriate;
 - b. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the NSR permit alteration application and standard permit revision application within 30 days after the date of such requests, or by any other deadline specified in writing;
 - c. Within 30 days after, implement measures and/or procedures to prevent recurrence of emissions events due to same or similar causes as Incident No. 198976;
 - d. Within 45 days, submit written certification demonstrating compliance with a. and c.;
 - e. Within 180 days, submit certification that the alteration for NSR Permit No. 56341 and the revision for Standard Permit Registration No. 94872 have been obtained;
 - f. Within 365 days, install the FGRU;
 - g. Within 380 days, submit written certification demonstrating compliance with f.

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

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Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Amancio R. Gutierrez, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-3921; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565

Respondent: Jessica Keiser, Vice President, ES&H, Targa Midstream Services LLC, 1000 Louisiana, Suite 4300, Houston, Texas 77002

Francis Foret, Vice President, Operations, Targa Midstream Services LLC, 1000 Louisiana, Suite 4300, Houston, Texas 77002

Respondent's Attorney: N/A

Attachment A
Docket Number: 2014-1518-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Targa Midstream Services LLC
Penalty Amount:	Two Hundred Thirty-One Thousand Two Hundred Eighty-Seven Dollars (\$231,287)
SEP Offset Amount:	Eighty Thousand Dollars (\$80,000)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Barber's Hill Independent School District
Project Name:	<i>Alternative Fuel School Bus Replacement</i>
Location of SEP:	Chambers County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **Barber's Hill Independent School District** ("Barber's Hill ISD") for the *Alternative Fuel School Bus Replacement* program. The contribution will be used in accordance with the SEP Agreement between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount shall be used to reduce carbon monoxide ("CO"), nitrogen oxides ("NO_x"), particulate matter ("PM"), and volatile organic compounds ("VOCs") emissions by replacing older school buses with new propane-fueled buses. The Third-Party Administrator shall ensure that each replacement bus purchased has an engine that meets 2010 EPA Standards. The Third-Party Administrator has invested in propane fueling infrastructure to support the operation of new propane-fueled buses. The Third-Party Administrator shall give preference to replacing the oldest, most polluting buses currently in use. Only older buses that are currently in regular use, driven on a regular route on a weekly basis for at least the past two years are eligible for replacement. The SEP Offset Amount will only be used for the purchase of a base model propane-fueled Replacement Bus. The Third-Party Administrator shall own and operate each Replacement Bus for at least five years following the date of purchase. The SEP will be performed in accordance with all federal, state, and local environmental laws and regulations.

Targa Midstream Services LLC
Agreed Order - Attachment A

All dollars contributed will be used for the direct cost of implementing the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not able to be spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a new 2010 ultra-low emission model, passengers' exposures to NO_x may be reduced by 98 percent; VOCs by 93 percent; CO by 83 percent; and PM by 99 percent.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Barber's Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant
Carl R. Griffith & Associates, Inc.
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Targa Midstream Services LLC
Agreed Order - Attachment A

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ.** Such statements include advertising, public relations, and press releases.

6. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

Targa Midstream Services LLC
Agreed Order - Attachment A

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

Attachment B
Docket Number: 2014-1518-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Targa Midstream Services LLC
Penalty Amount:	Two Hundred Thirty-One Thousand Two Hundred Eighty-Seven Dollars (\$231,287)
SEP Offset Amount:	Ten Thousand Dollars (\$10,000)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Barbers Hill Independent School District
Project Name:	<i>Energy Efficiency Building Upgrade/Retrofit Project</i>
Location of SEP:	Chambers County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment B.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Barbers Hill Independent School District** for the *Energy Efficiency Building Upgrade/Retrofit Project*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount will be used to pay a contractor to install and monitor sub-meters. The contractor's work will include installing revenue grade electric sub-meters in the line feed of certain facilities; installing revenue grade current transformers; incorporating all engineering, software, and graphics to accomplish effective monitoring of the status of this equipment; and a one-year warranty including parts and labor for the new sub-meters. In addition to sub-metering, the Third-Party Administrator shall use the SEP Offset Amount to pay its contractor to monitor, calibrate, and repair existing meters and to complete energy efficiency upgrades and/or retrofits based on needs identified in energy audits. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of implementing the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not able to be spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

Targa Midstream Services LLC
Agreed Order - Attachment B

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

The Project will result in reduced energy consumption by school district buildings and will contribute to the overall reduction of greenhouse gases. The sub-metering is expected to reduce energy consumption up to eight percent. The Project will reduce fuel and electricity usage for heating and cooling and day-to-day operations. These reductions will reduce emission of particulate matter, volatile organic carbon compounds, nitrogen oxides, and other pollutants associated with the combustion of fuel and generation of electricity. It will also contribute to a reduction in peak loads on the State electric power grid.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Barbers Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant
Carl R. Griffith & Associates, Inc.
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Targa Midstream Services LLC
Agreed Order - Attachment B

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment B, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ.** Such statements include advertising, public relations, and press releases.

6. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

Targa Midstream Services LLC
Agreed Order - Attachment B

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment B and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

Attachment C
Docket Number: 2014-1518-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Targa Midstream Services LLC
Penalty Amount:	Two Hundred Thirty-One Thousand Two Hundred Eighty-Seven Dollars (\$231,287)
SEP Offset Amount:	Twenty-Five Thousand Six Hundred Forty-Three Dollars (\$25,643)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Houston-Galveston Area Council-AERCO ("AERCO")
Project Name:	<i>Clean Vehicles Partnership Project</i>
<u>Location of SEP:</u> Angelina, Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Hardin, Harris, Houston, Jasper, Jefferson, Liberty, Matagorda, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Trinity, Tyler, Walker, Waller, and Wharton Counties	

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment C.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Houston-Galveston Area Council-AERCO** for the *Clean Vehicles Partnership Project*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount will be used to to replace old, higher emission buses that do not meet 2010 Environmental Protection Agency ("EPA") emissions standards ("Old Buses") with new, lower emission buses that meet the most recent EPA emissions standards ("New Buses") or to retrofit or convert Old Buses with emissions reducing equipment. The Third-Party Administrator shall allocate the SEP Offset Amount to public entities such as school districts, local governments, and public transit authorities ("SEP Administrators") that apply for replacement, retrofit, or conversion of buses.

The SEP Offset Amount may also be used for retrofit or conversion technology that brings an Old Bus up to current EPA emissions standards. New Buses may be alternative-fueled. The SEP Offset Amount may be used for up to 100% of the replacement, conversion, or retrofit cost. The SEP Offset Amount will be used only for purchase of New Buses or conversion or retrofit equipment and contract labor for installation of equipment. The SEP Offset Amount will not be used for financing such a purchase through a lease-purchase or similar agreement.

Retrofitting means reducing exhaust emissions to current standards by installing devices that are verified or certified by the EPA or the California Air Resources Board as proven retrofit technologies. Converting means replacing an engine system with an alternative fuel engine system to bring the Old Bus within the current EPA emissions standards. Buses to be replaced, retrofitted, or converted must be in regular use (driven at least five hundred miles per year for at least the past two years) by the SEP Administrator and must not already be scheduled for replacement in the following twenty-four months. All replaced buses must be fully decommissioned. The Third-Party Administrator shall provide proof of decommissioning to TCEQ for each replaced vehicle by submitting a copy of the TCEQ SEP Vehicle Replacement Disposition Form. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a 2010 ultra-low emission model, passengers' exposure to nitrogen oxides may be reduced by 98 percent; volatile organic compounds by 93 percent; carbon dioxide by 83 percent; and particulate matter by 99 percent. In addition, by encouraging less bus idling, this SEP contributes to public awareness of air pollution and air quality.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Houston-Galveston Area Council-AERCO SEP** and shall mail the contribution with a copy of the Agreed Order to:

Houston-Galveston Area Council-AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment C, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Targa Midstream Services LLC
Agreed Order - Attachment C

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment C and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

TCEQ

DATES	Assigned	15-Aug-2014	Screening	12-Sep-2014	EPA Due	19-May-2015
	PCW	12-May-2015				

RESPONDENT/FACILITY INFORMATION

Respondent	Targa Midstream Services LLC				
Reg. Ent. Ref. No.	RN100222900				
Facility/Site Region	12-Houston		Major/Minor Source	Major	

CASE INFORMATION

Enf./Case ID No.	49423	No. of Violations	6
Docket No.	2014-1518-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Amancio R. Gutierrez
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$170,500
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	74.0% Enhancement	Subtotals 2, 3, & 7	\$126,170
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Notes: Enhancement for three NOV's with same/similar violations and three orders containing a denial of liability. Reduction for one notice of intent to conduct an audit.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$7,562
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$5,382
Estimated Cost of Compliance	\$95,000

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$289,108
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount	\$289,108
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$289,108
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DEFERRAL	20.0% Reduction	Adjustment	-\$57,821
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$231,287
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Screening Date 12-Sep-2014

Docket No. 2014-1518-AIR-E

PCW

Respondent Targa Midstream Services LLC

Policy Revision 4 (April 2014)

Case ID No. 49423

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222900

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	3	15%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	3	60%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 74%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for three NOVs with same/similar violations and three orders containing a denial of liability. Reduction for one notice of intent to conduct an audit.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 74%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 74%

Screening Date 12-Sep-2014

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PCW

Respondent Targa Midstream Services LLC

Policy Revision 4 (April 2014)

Case ID No. 49423

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222900

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit ("FOP") No. 0612, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 17, New Source Review ("NSR") Permit No. 5452, Special Conditions ("SC") No. 1, and NSR Permit No. 56431, SC No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 76,228.43 pounds ("lbs") of volatile organic compounds ("VOC"), 381.48 lbs of carbon monoxide ("CO"), and 191.09 lbs of nitrogen oxides ("NOx") from various emission points within the Mont Belvieu Fractionator Unit, during an emissions event (Incident No. 198976) that began on May 29, 2014 and lasted for one hour and five minutes. The event occurred due to pressure build up in the T-7 Depropanizer that caused a pressure relief valve to open and release to the atmosphere. Since the emissions event could have been avoided by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

	Harm		
Release	Major	Moderate	Minor
Actual		X	
Potential			

Percent 30.0%

>> Programmatic Matrix

	Major	Moderate	Minor
Falsification			

Percent 0.0%

Matrix Notes

Based on Air Quality Analysis of modeling provided by the Respondent, human health or the environment has been exposed to significant amounts of pollutants which did not exceed levels that are protective of human health or the environmental receptors during the event.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	X
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply

0.0%

Reduction \$0

Extraordinary

Ordinary

N/A

Notes

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

X	(mark with x)

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$7,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$671

Violation Final Penalty Total \$13,050

This violation Final Assessed Penalty (adjusted for limits) \$13,050

Economic Benefit Worksheet

Respondent Targa Midstream Services LLC
 Case ID No. 49423
 Reg. Ent. Reference No. RN100222900
 Media Air
 Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	29-May-2014	1-Oct-2015	1.34	\$671	n/a	\$671

Notes for DELAYED costs

Estimated cost to implement measures and/or procedures to prevent recurrence of emissions events due to same or similar causes as Incident No. 198976. The Date Required is the date of the emissions event and the Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$671

Screening Date 12-Sep-2014

Docket No. 2014-1518-AIR-E

PCW

Respondent Targa Midstream Services LLC

Policy Revision 4 (April 2014)

Case ID No. 49423

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222900

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 0612, STC No. 17, and NSR Permit No. 56431, SC No. 1

Violation Description

Failed to comply with maximum allowable hourly emissions rates. Specifically, during the performance stack test conducted on December 3 and 4, 2013, the Respondent exceeded the 0.87 pound per hour ("lb/hr") emissions rate for NOx, the 10.6 lbs/hr emissions rate for CO, and the 0.1 lb/hr emissions rate for sulfur dioxide ("SO2") at the Regenerative Thermal Oxidizer ("RTO"), Emission Point Number ("EPN") RTO-1 (RTO-1A and RTO-1B), by 0.429 lb/hr for NOx, 2.28 lbs/hr for CO, and 12.37 lbs/hr for SO2, resulting in the unauthorized release of 2,913.77 lbs of NOx, 15,485.76 lbs of CO, and 84,017.04 lbs of SO2.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 30.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 4

283 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$30,000

Four quarterly events are recommended from the December 3, 2013 stack test to the September 12, 2014 screening date.

Good Faith Efforts to Comply

10.0%

Reduction

\$3,000

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		x
N/A		(mark with x)

Notes

The Respondent completed corrective measures on December 18, 2014, after the August 22, 2014 Notice of Enforcement ("NOE").

Violation Subtotal \$27,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$49,200

This violation Final Assessed Penalty (adjusted for limits) \$49,200

Economic Benefit Worksheet

Respondent Targa Midstream Services LLC
 Case ID No. 49423
 Reg. Ent. Reference No. RN100222900
 Media Air
 Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Economic Benefit included in Violation No. 4.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 12-Sep-2014

Docket No. 2014-1518-AIR-E

PCW

Respondent Targa Midstream Services LLC

Policy Revision 4 (April 2014)

Case ID No. 49423

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222900

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c), 116.615(2), and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 0612, STC No. 17, NSR Permit No. 56431, SC No. 6, and Standard Permit Registration No. 94872

Violation Description

Failed to meet the minimum required VOC destruction efficiency of 99.5% for EPN RTO-1 and 98% for EPN RTO-2. Specifically, during a reference method stack test conducted on December 3, 2013, it was determined that the EPN RTO-1 achieved a VOC destruction efficiency of 96.6%. Also, during a reference method stack test conducted on December 5, 2013, it was determined that the EPN RTO-2 achieved a VOC destruction efficiency of 77.9%.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 30.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violations.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 4

283 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$30,000

Four quarterly events are recommended from the December 3, 2013 stack test to the September 12, 2014 screening date.

Good Faith Efforts to Comply

10.0%

Reduction \$3,000

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	x
N/A	(mark with x)

Notes

The Respondent completed corrective measures on December 18, 2014, after the August 22, 2014 NOE.

Violation Subtotal \$27,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$90

Violation Final Penalty Total \$49,200

This violation Final Assessed Penalty (adjusted for limits) \$49,200

Economic Benefit Worksheet

Respondent Targa Midstream Services LLC
Case ID No. 49423
Reg. Ent. Reference No. RN100222900
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	3-Dec-2013	13-Apr-2014	0.36	\$90	n/a	\$90

Notes for DELAYED costs

Estimated costs to conduct a second reference method stack test for EPN RTO-2, which demonstrated that EPN RTO-2 achieved a VOC destruction efficiency of 98.0%, and demonstrated compliance with the applicable hourly emissions rates in Standard Permit Registration No. 94872. The Date Required is the date of the initial stack test and the Final Date is the date of compliance. See also Economic Benefit in Violation No. 4.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$90

Screening Date 12-Sep-2014

Docket No. 2014-1518-AIR-E

PCW

Respondent Targa Midstream Services LLC

Policy Revision 4 (April 2014)

Case ID No. 49423

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222900

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code § 116.116(a)(1) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to comply with the representations with regard to construction plans in a permit application. Specifically, the Respondent represented in the application for NSR Permit No. 56431 that it would construct two RTOs with most emissions from the Mont Belvieu Complex to be routed to EPN RTO-1 and the emissions from the existing amine unit to be routed to EPN RTO-2, but the Respondent routed the emissions from the Mont Belvieu Complex and amine unit to two RTOs (EPNs RTO-1A and RTO-1B) which operated in parallel.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 3

221 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$11,250

Three quarterly events are recommended from the February 3, 2014 record review date to the September 12, 2014 screening date.

Good Faith Efforts to Comply

10.0%

Reduction

\$1,125

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		X
N/A		(mark with x)

Notes

The Respondent completed corrective measures on December 18, 2014, after the August 22, 2014 NOE.

Violation Subtotal \$10,125

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$3,260

Violation Final Penalty Total \$18,450

This violation Final Assessed Penalty (adjusted for limits) \$18,450

Economic Benefit Worksheet

Respondent Targa Midstream Services LLC
Case ID No. 49423
Reg. Ent. Reference No. RN100222900
Media Air
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$10,000	3-Feb-2014	3-Apr-2016	2.16	\$1,082	n/a	\$1,082
Other (as needed)	\$50,000	3-Feb-2014	18-Dec-2014	0.87	\$2,178	n/a	\$2,178

Notes for DELAYED costs

Estimated costs to permanently shut down EPNs RTO-1 (RTO-1A and RTO-1B), to obtain an alteration for NSR Permit No. 56431 to remove EPNs RTO-1 and RTO-2 and to obtain a revision for Standard Permit Registration No. 94872 to remove EPN RTO-1, change the name of EPN RTO-2 to EPN TRO-1, and update representations as appropriate. The Dates Required is the record review date and the Final Dates are the date of compliance and the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$60,000

TOTAL

\$3,260

Screening Date 12-Sep-2014

Docket No. 2014-1518-AIR-E

PCW

Respondent Targa Midstream Services LLC

Policy Revision 4 (April 2014)

Case ID No. 49423

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222900

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Violation Number 5

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 0612, STC No. 17, and NSR Permit No. 56431, SC No. 1

Violation Description

Failed to comply with annual emissions rates. Specifically, the Respondent exceeded the VOC emissions rate of 25 tons per year ("tpy"), the VOC maintenance, start-up, and shutdown ("MSS") emissions rate of 5 tpy, the CO emissions rate of 20 tpy, the CO MSS emissions rate of 5 tpy, the NOx emissions rate of 6 tpy, and the NOx MSS emissions rate of 1 tpy based on a rolling 12-month period for EPN FLR-1NSCAP for the 12-month periods ending from September 2013 through August 2014, resulting in the unauthorized release of 34.57 tons of VOC, 32.17 tons of CO, and 21.30 tons of NOx.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		X	
Potential			

Percent 30.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 12

335 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	X
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$90,000

Twelve monthly events are recommended for the period of non-compliance from September 30, 2013 to August 31, 2014.

Good Faith Efforts to Comply

0.0%

Reduction

\$0

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$90,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1,255

Violation Final Penalty Total \$156,600

This violation Final Assessed Penalty (adjusted for limits) \$156,600

Economic Benefit Worksheet

Respondent Targa Midstream Services LLC
Case ID No. 49423
Reg. Ent. Reference No. RN100222900
Media Air
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	30-Sep-2013	3-Apr-2016	2.51	\$1,255	n/a	\$1,255

Notes for DELAYED costs

Estimated cost to install a Flare Gas Recovery Unit. The Date Required is the first date of non-compliance and the Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$1,255

Screening Date 12-Sep-2014

Docket No. 2014-1518-AIR-E

PCW

Respondent Targa Midstream Services LLC

Policy Revision 4 (April 2014)

Case ID No. 49423

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222900

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Violation Number 6

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 0612, STC No. 17, and NSR Permit No. 56431, SC No. 6

Violation Description

Failed to conduct stack testing within 60 days of achieving the maximum operating rate. Specifically, the reference method stack test for EPN RTO-1 was due by September 18, 2013, but was not conducted until December 4, 2013.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			x

Percent 7.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants that would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$23,250

\$1,750

Violation Events

Number of Violation Events 1

77 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$1,750

One single event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction \$437

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes The Respondent completed corrective measures on December 4, 2013, before the August 22, 2014 Notice of Enforcement.

Violation Subtotal \$1,313

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$105

Violation Final Penalty Total \$2,608

This violation Final Assessed Penalty (adjusted for limits) \$2,608

Economic Benefit Worksheet

Respondent Targa Midstream Services LLC
 Case ID No. 49423
 Reg. Ent. Reference No. RN100222900
 Media Air
 Violation No. 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	18-Sep-2013	4-Dec-2013	0.21	\$105	n/a	\$105

Notes for DELAYED costs

Estimated cost to conduct the initial reference method stack test for EPN RTO-1. The Date Required is the date the stack test was due and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$105

The TCEQ is committed to accessibility.
To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



TCEQ Compliance History Report

PUBLISHED Compliance History Report for CN601301559, RN100222900, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator: CN601301559, Targa Midstream Services LLC
Classification: SATISFACTORY
Rating: 0.42

Regulated Entity: RN100222900, MONT BELVIEU COMPLEX
Classification: SATISFACTORY
Rating: 5.49

Complexity Points: 16
Repeat Violator: NO

CH Group: 03 - Oil and Gas Extraction

Location: 10319 HIGHWAY 146 MONT BELVIEU, TX 77580, CHAMBERS COUNTY

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

POLLUTION PREVENTION PLANNING ID NUMBER
P03569

AIR NEW SOURCE PERMITS REGISTRATION 12790
AIR NEW SOURCE PERMITS PERMIT 18929
AIR NEW SOURCE PERMITS ACCOUNT NUMBER CI0021C
AIR NEW SOURCE PERMITS AFS NUM 4807100010
AIR NEW SOURCE PERMITS PERMIT 56431
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX696M1
AIR NEW SOURCE PERMITS REGISTRATION 82049
AIR NEW SOURCE PERMITS REGISTRATION 84814
AIR NEW SOURCE PERMITS REGISTRATION 89284
AIR NEW SOURCE PERMITS REGISTRATION 94786
AIR NEW SOURCE PERMITS REGISTRATION 97147
AIR NEW SOURCE PERMITS REGISTRATION 101895
AIR NEW SOURCE PERMITS REGISTRATION 109750
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX771
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX817
AIR NEW SOURCE PERMITS REGISTRATION 107237
AIR NEW SOURCE PERMITS REGISTRATION 119145
AIR NEW SOURCE PERMITS REGISTRATION 109927
AIR NEW SOURCE PERMITS REGISTRATION 119978
AIR NEW SOURCE PERMITS REGISTRATION 118675
AIR OPERATING PERMITS ACCOUNT NUMBER CI0022A
AIR OPERATING PERMITS ACCOUNT NUMBER CI0021C
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 31048
AIR EMISSIONS INVENTORY ACCOUNT NUMBER CI0022A

AIR NEW SOURCE PERMITS PERMIT 5452

AIR NEW SOURCE PERMITS ACCOUNT NUMBER CI0022A
AIR NEW SOURCE PERMITS PERMIT 22088
AIR NEW SOURCE PERMITS REGISTRATION 75496
AIR NEW SOURCE PERMITS AFS NUM 4807100037
AIR NEW SOURCE PERMITS PERMIT 56435
AIR NEW SOURCE PERMITS REGISTRATION 81866
AIR NEW SOURCE PERMITS REGISTRATION 82076
AIR NEW SOURCE PERMITS REGISTRATION 91519
AIR NEW SOURCE PERMITS REGISTRATION 94872
AIR NEW SOURCE PERMITS REGISTRATION 98061
AIR NEW SOURCE PERMITS PERMIT 101616
AIR NEW SOURCE PERMITS REGISTRATION 129536
AIR NEW SOURCE PERMITS REGISTRATION 120000
AIR NEW SOURCE PERMITS REGISTRATION 109040
AIR NEW SOURCE PERMITS REGISTRATION 110145
AIR NEW SOURCE PERMITS REGISTRATION 106129
AIR NEW SOURCE PERMITS REGISTRATION 112896
AIR NEW SOURCE PERMITS REGISTRATION 113495
AIR NEW SOURCE PERMITS EPA PERMIT GHGPSDTX26
AIR NEW SOURCE PERMITS REGISTRATION 109309
AIR OPERATING PERMITS PERMIT 612
AIR OPERATING PERMITS PERMIT 615
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 35989
AIR EMISSIONS INVENTORY ACCOUNT NUMBER CI0021C

Compliance History Period: September 01, 2009 to August 31, 2014
Rating Year: 2014
Rating Date: 09/01/2014

Date Compliance History Report Prepared: March 04, 2015

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: March 04, 2010 to March 04, 2015

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Amancio R. Gutierrez

Phone: (512) 239-3921

Site and Owner/Operator History:

- | | |
|--|-----|
| 1) Has the site been in existence and/or operation for the full five year compliance period? | YES |
| 2) Has there been a (known) change in ownership/operator of the site during the compliance period? | NO |

- 3) If **YES** for #2, who is the current owner/operator? N/A
4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

- 1 Effective Date: 05/09/2010 ADMINORDER 2009-1180-AIR-E (1660 Order-Agreed Order With Denial)
- Classification: Moderate
- Citation: 30 TAC Chapter 115, SubChapter H 115.764(a)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
- Rqmt Prov:O-00612 General Terms and Conditions OP
- Description: Failed to install a HRVOC monitor on the inlets of cooling tower Nos. 4 and 4A from January 26, 2007 through July 17, 2009. (Category A4 Violation)
- Classification: Moderate
- Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(1)(A)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Db 60.49b(c)
5C THSC Chapter 382 382.085(b)
- Rqmt Prov:NSR 56435 SC 6 A PERMIT
- O-00612 General Terms and Conditions OP
O-00612 Special Terms and Conditions 10 OP
- Description: Failed to submit an alternate monitoring plan to obtain approval for using a predictive emission monitoring system ("PEMS") to measure and record the in-stack concentration of nitrogen oxides ("NOx"), carbon monoxide ("CO"), and diluent gases [oxygen ("O2") or carbon dioxide] from Boilers Emission Point Nos. ("EPN"s) B-03, B-04, B-08, and B-09. (Category A4 Violation)
- Classification: Moderate
- Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 117, SubChapter B 117.340(b)(1)
30 TAC Chapter 117, SubChapter G 117.8120(1)
5C THSC Chapter 382 382.085(b)
- Rqmt Prov:56435 SC.6 PERMIT
- Description: Failed to comply with permitted relative accuracy ("RA") limits. During the PEMS Reference Method 4 stack testing for Boiler 3 (EPN B-03), the Respondent demonstrated RA failure of CO and conducted the RATA for O2 improperly. The RA standards/limits for CO are 10% for the reference method ("RM") and 5% for the alternate method ("AM") for pound per million British thermal units ("lb/MMBtu"). From June 29, 2006 through June 25, 2007, the Respondent conducted four RATAs in which the CO RA exceeded
- Classification: Moderate
- Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 117, SubChapter B 117.340(b)(1)
30 TAC Chapter 117, SubChapter G 117.8120(1)(B)
5C THSC Chapter 382 382.085(b)
- Rqmt Prov:#56435 SC.6 PERMIT
- Description: Failed to comply with permitted RA limits. During the PEMS Reference Method 4 stack testing for Boiler 4 (EPN B-04), the Respondent demonstrated RA failure of CO and conducted the RATA for O2 improperly. The RA standards/limits for CO are 10% (RM) and 5% (AM) for lb/MMBtu. On March 29, 2006, September 28, 2006, and December 18, 2007, the Respondent conducted three RATAs in which the CO RA exceeded these limits. During the same RATAs, the test method for dry weight for O2 was not done properly
- Classification: Moderate
- Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 117, SubChapter B 117.340(b)(1)
30 TAC Chapter 117, SubChapter G 117.8120(1)(B)
5C THSC Chapter 382 382.085(b)
- Description: Failed to comply with RA limits. During the PEMS Reference Method 4 stack testing for Boiler 9 (EPN B-09), the Respondent demonstrated RA failures of NOx and CO and conducted the RATA for O2 improperly. The RA standards are 20% for NOx and 10% for CO for parts per million ("ppm"). During RA tests conducted on June 28, 2006, September 20, 2006, and December 20, 2006, one or both of these standards were exceeded (see table below). In addition, during these three RATAs and the one conducted on
- 2 Effective Date: 02/24/2013 ADMINORDER 2012-0654-AIR-E (1660 Order-Agreed Order With Denial)
- Classification: Moderate
- Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:General Terms and Conditions OP

Special Term and Condition 3(B)(iv)(3) OP

Description: Failed to maintain records of quarterly visible emissions observations from stationary vents for emissions units. Specifically, records of quarterly visible emissions observations were not being maintained for engines FE-1, FE-3, G-1, G-2, G-3, G-5, and G-6.

Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.354(2)

5C THSC Chapter 382 382.085(b)

Description: Failed to conduct LDAR monitoring on 10,863 components in VOC service. Specifically, the Respondent did not conduct quarterly LDAR monitoring on 8,325 valves and 2,538 pressure relief valves that are two inches or less prior to March 2010.

Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.356(2)(E)(iv)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:Special Term and Condition 1(A) OP

Description: Failed to maintain records of the date leaking components were repaired. Specifically, from August 13, 2007 to August 2, 2010, compressors COMP2, COMP3, COMP5, 5-C1, 16-C1, 16-C2, and pump P7-7 were placed on delay of repair, but no records of repairs were made before they passed quarterly monitoring.

Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)

30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:Special Condition 3.E. PERMIT

Special Condition 9.E. PERMIT

Special Term and Condition 1(A) OP

Special Term and Condition 8 OP

Description: Failed to equip each open-ended line or valve with a cap, blind flange, plug, or a second valve. Specifically, 16 open-ended lines and/or valves in regular VOC service were documented during the period of September 12, 2009 through August 28, 2010.

Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter B 117.310(f)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:Special Term and Condition 1(A) OP

Description: Failed to restrict the operation of stationary diesel or dual-fuel engines for testing and maintenance to between the hours of 12:00 p.m. and 5:59 a.m. Specifically, the Respondent conducted a weekly test on engine FE-1 from 7:35 a.m. to 8:05 a.m. and engine FE-3 from 8:00 a.m. to 8:40 a.m. on December 21, 2009, and a bi-weekly test on engine G-3 from 7:35 a.m. to 8:05 a.m. and engine G-6 from 8:10 a.m. to 8:40 a.m. on February 3, 2011.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.142(b)(2)(B)

5C THSC Chapter 382 382.085(b)

Description: Failed to include applicable requirements of 30 TEX. ADMIN. CODE ch. 115, Subchapter D, Division 3 for Emission Point Numbers 1-5 in FOP No. 0615. Also, failed to specify that FUG-R-LOAD1 and FUG-R-LOAD2 are in the FUG-LOAD group.

Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)(A)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:General Terms and Conditions OP

Description: Failed to report all instances of deviations. Specifically, the semi-annual deviation reports for the reporting periods from August 27, 2009 through February 26, 2010 and February 27, 2010 through August 26, 2010 did not include six deviations.

See addendum for information regarding federal actions.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	March 16, 2010	(791910)
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Item 2	March 26, 2010	(787211)
Item 3	May 06, 2010	(799170)
Item 4	June 14, 2010	(800951)
Item 5	July 01, 2010	(793269)
Item 6	September 01, 2010	(826766)
Item 7	September 02, 2010	(826344)
Item 8	December 23, 2010	(880150)
Item 9	January 06, 2011	(879427)
Item 10	April 08, 2011	(878135)
Item 11	February 08, 2013	(1056878)
Item 12	February 10, 2014	(1138433)
Item 13	April 24, 2014	(1124502)
Item 14	June 30, 2014	(1177372)
Item 15	October 22, 2014	(1191767)
Item 16	December 11, 2014	(1184162)
Item 17	January 20, 2015	(1217385)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

- 1 Date: 08/21/2014 (1172254) CN601301559
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter F 116.615(10)
30 TAC Chapter 116, SubChapter F 116.615(2)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Term & Condition 17 OP
Special Term & Condition 19 OP
Description: Failure to operate the Combustion Turbine/Duct Burner (EPN: GT-1) and Hot Oil Heaters (EPN: H-701A and H-701B) within the permitted nitrogen oxides (NOx) and carbon monoxide (CO) lbs/hr limits as represented in Standard Permit Nos. 94872 and 84814. (Category B13)

- 2 Date: 10/06/2014 (1178922) CN601301559
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
SPECIAL CONDITION 1 PERMIT
Description: Failure to meet the demonstration criteria for an affirmative defense for unauthorized emissions during an emissions event. (Category B)

- 3 Date: 10/21/2014 (1192043) CN601301559
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition No. 1 PERMIT
Description: Failure to meet the demonstration criteria for an affirmative defense for unauthorized emissions during an emissions event. (Category B14)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)
5C THSC Chapter 382 382.085(b)
Description: Failure to Report an Emission Event in a Timely Manner. (Category B3)

F. Environmental audits:

Notice of Intent Date: 07/14/2010 (843525)
No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:
N/A

Sites Outside of Texas:
N/A

Addendum to Compliance History Federal Enforcement Actions

Reg Entity Name: **MONT BELVIEU FRACTIONATOR**

Reg Entity Add: 10119 HWY. 146 N.

Reg Entity City: MONT BELVIEU

Reg Entity No: RN100222900

Customer Name: Targa Midstream Svc's (Mont Belvieu
Fractionator)

Customer No: CN601301559

EPA Case No: **06-2011-3302**

Order Issue Date (yyyymmdd): 20101028

Case Result: Final Order No Penalty

Statute: CAA

Sect of Statute: 502

Classification: Minor

Program: State Permit Programs ***Citation:***

Violation Type:

Cite Sect:

Cite Part:

Enforcement Action: Administrative Compliance Orders

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
TARGA MIDSTREAM SERVICES
LLC
RN100222900

§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY
§

AGREED ORDER
DOCKET NO. 2014-1518-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Targa Midstream Services LLC ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a natural gas processing facility at 10319 Highway 146 in Mont Belvieu, Chambers County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notices of the violations alleged in Section II ("Allegations") on or about August 27, 2014 and September 14, 2014.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Two Hundred Eighty-Nine Thousand One Hundred Eight Dollars (\$289,108) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid One Hundred

Fifteen Thousand Six Hundred Forty-Four Dollars (\$115,644) of the administrative penalty and Fifty-Seven Thousand Eight Hundred Twenty-One Dollars (\$57,821) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. One Hundred Fifteen Thousand Six Hundred Forty-Three Dollars (\$115,643) shall be conditionally offset by the Respondent's completion of Supplemental Environmental Projects ("SEPs").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent completed the following corrective measures:
 - a. On December 3 and 4, 2013, conducted the initial reference method stack test for the Regenerative Thermal Oxidizer ("RTO"), Emission Point Number ("EPN") RTO-1 (RTO-1A and RTO-1B);
 - b. On December 5, 2013, conducted the initial reference method stack test for the Thermal Recuperative Oxidizer ("TRO"), EPN RTO-2;
 - c. On April 13, 2014, conducted a second reference method stack test for the TRO, EPN RTO-2, which demonstrated that the TRO achieved a volatile organic compounds ("VOC") destruction efficiency of 98.0%, and demonstrated compliance with the applicable hourly emissions rates in Standard Permit Registration No. 94872;
 - d. On December 18, 2014, permanently shut down EPN RTO-1 (RTO-1A and RTO-1B);
 - e. On March 3, 2015, obtained Standard Permit Registration No. 129536 to authorize the construction and operation of the Flare Gas Recovery Unit ("FGRU") in order to comply with the annual Maintenance, Startup, and Shutdown ("MSS") emissions rates; and
 - f. On February 27, 2015, submitted an alteration request to remove EPNs RTO-1 and RTO-2 from New Source Review ("NSR") Permit No. 56431.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.

11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. 0612, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 17, NSR Permit No. 5452, Special Conditions ("SC") No. 1, and NSR Permit No. 56431, SC No. 1, as documented during a record review conducted on July 14, 2014. Specifically, the Respondent released 76,228.43 pounds ("lbs") of volatile organic compounds ("VOC"), 381.48 lbs of carbon monoxide ("CO"), and 191.09 lbs of nitrogen oxides ("NOx") from various emission points within the Mont Belvieu Fractionator Unit, during an emissions event (Incident No. 198976) that began on May 29, 2014 and lasted for one hour and five minutes. The event occurred due to pressure build up in the T-7 Depropanizer that caused a pressure relief valve to open and release to the atmosphere. Since the emissions event could have been avoided by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
2. Failed to comply with maximum allowable hourly emissions rates, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 0612, STC No. 17, and NSR Permit No. 56431, SC No. 1, as documented during a record review conducted from February 3 through August 8, 2014. Specifically, during the performance stack test conducted on December 3 and 4, 2013, the Respondent exceeded the 0.87 pound per hour ("lb/hr") emissions rate for NOx, the 10.6 lbs/hr emissions rate for CO, and the 0.1 lb/hr emissions rate for sulfur dioxide ("SO2") at the RTO, EPN RTO-1 (RTO-1A and RTO-1B), by 0.429 lb/hr for NOx, 2.28 lbs/hr for CO, and 12.37 lbs/hr for SO2, resulting in the unauthorized release of 2,913.77 lbs of NOx, 15,485.76 lbs of CO, and 84,017.04 lbs of SO2.
3. Failed to meet the minimum required VOC destruction efficiency of 99.5% for EPN RTO-1 and 98% for EPN RTO-2, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 0612, STC No. 17, NSR Permit No. 56431, SC No. 6, and Standard Permit Registration No. 94872, as documented during a record review conducted from February 3 through August 8, 2014. Specifically, during a reference method stack test conducted on December 3, 2013, it was determined that the EPN RTO-1 achieved a VOC destruction efficiency of 96.6%. Also, during a reference method stack test conducted on December 5, 2013, it was determined that the EPN RTO-2 achieved a VOC destruction efficiency of 77.9%.

4. Failed to comply with the representations with regard to construction plans in a permit application, in violation of 30 TEX. ADMIN. CODE § 116.116(a)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted from February 3 through August 8, 2014. Specifically, the Respondent represented in the application for NSR Permit No. 56431 that it would construct two RTOs with most emissions from the Mont Belvieu Complex to be routed to EPN RTO-1 and the emissions from the existing amine unit to be routed to EPN RTO-2, but the Respondent routed the emissions from the Mont Belvieu Complex and amine unit to two RTOs (EPNs RTO-1A and RTO-1B) which operated in parallel.
5. Failed to comply with annual emissions rates, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 0612, STC No. 17, and NSR Permit No. 56431, SC No. 1, as documented during a record review conducted from February 3 through August 8, 2014. Specifically, the Respondent exceeded the VOC emissions rate of 25 tons per year ("tpy"), the VOC MSS emissions rate of 5 tpy, the CO emissions rate of 20 tpy, the CO MSS emissions rate of 5 tpy, the NOx emissions rate of 6 tpy, and the NOx MSS emissions rate of 1 tpy based on a rolling 12-month period for EPN FLR-1NSCAP for the 12-month periods ending from September 2013 through August 2014, resulting in the unauthorized release of 34.57 tons of VOC, 32.17 tons of CO, and 21.30 tons of NOx.
6. Failed to conduct stack testing within 60 days of achieving the maximum operating rate, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 0612, STC No. 17, and NSR Permit No. 56431, SC No. 6, as documented during a record review conducted from February 3 through August 8, 2014. Specifically, the reference method stack test for EPN RTO-1 was due by September 18, 2013, but was not conducted until December 4, 2013.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Targa Midstream Services LLC, Docket No. 2014-1518-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete SEPs in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, One Hundred Fifteen Thousand Six Hundred Forty-Three Dollars (\$115,643) of the assessed administrative penalty shall be offset with the condition that the SEPs defined in Attachment A, Attachment B, and Attachment C, incorporated herein by reference, are implemented by the Respondent. The Respondent's obligation to pay the conditionally offset portion of the assessed administrative penalty shall be discharged upon final completion of all provisions of the SEP agreements.

3. It is further ordered that the Respondent shall undertake the following technical requirements:

- a. Within 30 days after the effective date of this Agreed Order, submit a revision request for Standard Permit Registration No. 94872 to remove EPN RTO-1, change the name of EPN RTO-2 to EPN TRO-1, and update representations as appropriate, in accordance with 30 TEX. ADMIN. CODE § 116.611, to:

Air Permits Division, MC 162
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

- b. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the NSR permit alteration application and standard permit revision application within 30 days after the date of such requests, or by any other deadline specified in writing;
- c. Within 30 days after the effective date of this Agreed Order, implement measures and/or procedures to prevent recurrence of emissions events due to same or similar causes as Incident No. 198976;
- d. Within 45 days after the effective date of this Agreed Order, submit written certification demonstrating compliance with Ordering Provision Nos. 3.a. and 3.c., as described in Ordering Provision No. 3.h.;
- e. Within 180 days after the effective date of this Agreed Order, submit certification that the alteration for NSR Permit No. 56341 and the revision for Standard Permit Registration No. 94872 have been obtained, as described in Ordering Provision No. 3.h.;
- f. Within 365 days after the effective date of this Agreed Order, install the FGRU;

- g. Within 380 days after the effective date of this Agreed Order, submit written certification demonstrating compliance with Ordering Provision No. 3.f., as described in Ordering Provision No. 3.h.; and
- h. The written certifications required by Ordering Provision Nos. 3.d., 3.e., and 3.g., shall include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance. The certifications shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

- 4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
- 5. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
- 6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a

written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

7. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Pam Moncreif
For the Executive Director

9/11/15
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Francis Foret
Signature TSM

5/26/2015
Date

Francis Foret
Name (Printed or typed)
Authorized Representative of
Targa Midstream Services LLC

Vice President - Operations
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2014-1518-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Targa Midstream Services LLC
Penalty Amount:	Two Hundred Thirty-One Thousand Two Hundred Eighty-Seven Dollars (\$231,287)
SEP Offset Amount:	Eighty Thousand Dollars (\$80,000)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Barber's Hill Independent School District
Project Name:	<i>Alternative Fuel School Bus Replacement</i>
Location of SEP:	Chambers County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **Barber's Hill Independent School District** ("Barber's Hill ISD") for the *Alternative Fuel School Bus Replacement* program. The contribution will be used in accordance with the SEP Agreement between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount shall be used to reduce carbon monoxide ("CO"), nitrogen oxides ("NO_x"), particulate matter ("PM"), and volatile organic compounds ("VOCs") emissions by replacing older school buses with new propane-fueled buses. The Third-Party Administrator shall ensure that each replacement bus purchased has an engine that meets 2010 EPA Standards. The Third-Party Administrator has invested in propane fueling infrastructure to support the operation of new propane-fueled buses. The Third-Party Administrator shall give preference to replacing the oldest, most polluting buses currently in use. Only older buses that are currently in regular use, driven on a regular route on a weekly basis for at least the past two years are eligible for replacement. The SEP Offset Amount will only be used for the purchase of a base model propane-fueled Replacement Bus. The Third-Party Administrator shall own and operate each Replacement Bus for at least five years following the date of purchase. The SEP will be performed in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of implementing the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not able to be spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a new 2010 ultra-low emission model, passengers' exposures to NO_x may be reduced by 98 percent; VOCs by 93 percent; CO by 83 percent; and PM by 99 percent.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Barber's Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant
Carl R. Griffith & Associates, Inc.
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Targa Midstream Services LLC
Agreed Order - Attachment A

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. **Failure to Fully Perform**

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. **Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. **Recognition**

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

Targa Midstream Services LLC
Agreed Order - Attachment A

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

Attachment B
Docket Number: 2014-1518-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Targa Midstream Services LLC
Penalty Amount:	Two Hundred Thirty-One Thousand Two Hundred Eighty-Seven Dollars (\$231,287)
SEP Offset Amount:	Ten Thousand Dollars (\$10,000)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Barbers Hill Independent School District
Project Name:	<i>Energy Efficiency Building Upgrade/Retrofit Project</i>
Location of SEP:	Chambers County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment B.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Barbers Hill Independent School District** for the *Energy Efficiency Building Upgrade/Retrofit Project*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount will be used to pay a contractor to install and monitor sub-meters. The contractor's work will include installing revenue grade electric sub-meters in the line feed of certain facilities; installing revenue grade current transformers; incorporating all engineering, software, and graphics to accomplish effective monitoring of the status of this equipment; and a one-year warranty including parts and labor for the new sub-meters. In addition to sub-metering, the Third-Party Administrator shall use the SEP Offset Amount to pay its contractor to monitor, calibrate, and repair existing meters and to complete energy efficiency upgrades and/or retrofits based on needs identified in energy audits. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of implementing the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not able to be spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

Targa Midstream Services LLC
Agreed Order - Attachment B

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

The Project will result in reduced energy consumption by school district buildings and will contribute to the overall reduction of greenhouse gases. The sub-metering is expected to reduce energy consumption up to eight percent. The Project will reduce fuel and electricity usage for heating and cooling and day-to-day operations. These reductions will reduce emission of particulate matter, volatile organic carbon compounds, nitrogen oxides, and other pollutants associated with the combustion of fuel and generation of electricity. It will also contribute to a reduction in peak loads on the State electric power grid.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Barbers Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant
Carl R. Griffith & Associates, Inc.
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Targa Midstream Services LLC
Agreed Order - Attachment B

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment B, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment B and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

Attachment C
Docket Number: 2014-1518-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Targa Midstream Services LLC
Penalty Amount:	Two Hundred Thirty-One Thousand Two Hundred Eighty-Seven Dollars (\$231,287)
SEP Offset Amount:	Twenty-Five Thousand Six Hundred Forty-Three Dollars (\$25,643)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Houston-Galveston Area Council-AERCO ("AERCO")
Project Name:	<i>Clean Vehicles Partnership Project</i>
<u>Location of SEP:</u> Angelina, Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Hardin, Harris, Houston, Jasper, Jefferson, Liberty, Matagorda, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Trinity, Tyler, Walker, Waller, and Wharton Counties	

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment C.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Houston-Galveston Area Council-AERCO** for the *Clean Vehicles Partnership Project*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount will be used to to replace old, higher emission buses that do not meet 2010 Environmental Protection Agency ("EPA") emissions standards ("Old Buses") with new, lower emission buses that meet the most recent EPA emissions standards ("New Buses") or to retrofit or convert Old Buses with emissions reducing equipment. The Third-Party Administrator shall allocate the SEP Offset Amount to public entities such as school districts, local governments, and public transit authorities ("SEP Administrators") that apply for replacement, retrofit, or conversion of buses.

The SEP Offset Amount may also be used for retrofit or conversion technology that brings an Old Bus up to current EPA emissions standards. New Buses may be alternative-fueled. The SEP Offset Amount may be used for up to 100% of the replacement, conversion, or retrofit cost. The SEP Offset Amount will be used only for purchase of New Buses or conversion or retrofit equipment and contract labor for installation of equipment. The SEP Offset Amount will not be used for financing such a purchase through a lease-purchase or similar agreement.

Retrofitting means reducing exhaust emissions to current standards by installing devices that are verified or certified by the EPA or the California Air Resources Board as proven retrofit technologies. Converting means replacing an engine system with an alternative fuel engine system to bring the Old Bus within the current EPA emissions standards. Buses to be replaced, retrofitted, or converted must be in regular use (driven at least five hundred miles per year for at least the past two years) by the SEP Administrator and must not already be scheduled for replacement in the following twenty-four months. All replaced buses must be fully decommissioned. The Third-Party Administrator shall provide proof of decommissioning to TCEQ for each replaced vehicle by submitting a copy of the TCEQ SEP Vehicle Replacement Disposition Form. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a 2010 ultra-low emission model, passengers' exposure to nitrogen oxides may be reduced by 98 percent; volatile organic compounds by 93 percent; carbon dioxide by 83 percent; and particulate matter by 99 percent. In addition, by encouraging less bus idling, this SEP contributes to public awareness of air pollution and air quality.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Houston-Galveston Area Council-AERCO SEP** and shall mail the contribution with a copy of the Agreed Order to:

Houston-Galveston Area Council-AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment C, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Targa Midstream Services LLC
Agreed Order - Attachment C

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment C and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.